

## **Legislative Council Panel on Public Service**

### **Policy Initiatives of the Civil Service Bureau**

#### **Introduction**

The 2005 Policy Agenda just issued lists the Government's new and on-going initiatives for the next two and a half years. This paper elaborates on the initiatives relating to the Civil Service Bureau (CSB).

#### **2005 Policy Agenda**

2. The 2005 Policy Agenda contains seven initiatives on the management of the civil service under the chapter of "Effective Governance". Our prevailing plan to roll out these initiatives is set out in ensuing paragraphs.

- (a) *Continuing with the development of an improved civil service pay adjustment mechanism in 2005-06 so that it will meet our established policy to maintain a clean, stable and efficient civil service and will also be considered as fair and reasonable by the community. The exercise will include the conduct of a pay level survey, review of the annual pay trend survey and developing a better mechanism to facilitate both upward and downward pay adjustments in future. We have just completed an extensive consultation on the methodology of the proposed pay level survey (PLS) and the application of the survey results. We shall proceed with the survey field work in early 2005.*

3. In early 2003, we commenced an exercise to develop an improved pay adjustment mechanism for adoption in the civil service. Our aim is to put in place an improved mechanism which reflects the civil service pay policy (i.e. to offer sufficient remuneration to attract, retain and motivate staff of a suitable calibre to provide the public with an effective and efficient service) and upholds the principle of maintaining broad comparability between civil service pay and private sector pay.

4. To take forward this complex exercise, CSB established in April 2003 a steering committee comprising selected members drawn from the three advisory bodies on civil service salaries and conditions of service and a consultative group involving staff representatives to provide inputs to the exercise. In addition, we commissioned a consultancy to assist us in designing the methodology of the PLS.

5. In November 2004, we issued a consultation paper setting out the consultant's recommendations on the methodology of the PLS as well as CSB's proposals on the general approach for the application of the survey results. The consultation period ended on 7 January 2005. Having regard to the feedback received and relevant policy considerations, we shall take a decision on the methodology of the PLS and aim to embark on the survey field work in early 2005. The PLS seeks to ascertain the updated levels of private sector pay, on the basis of which an assessment will be made on whether civil service pay is broadly comparable to private sector pay. As regards the application of the survey results, we shall, where applicable, take account of the outcome of the proceedings in the Court of Final Appeal in respect of the Public Officers Pay Adjustment Ordinance.

*(b) Going to consult staff on the proposals on the review of civil service allowances after the Court of Final Appeal has delivered judgment on the appeal in respect of the Public Officers Pay Adjustment Ordinance. We seek to ensure that the continued payment of allowances is fully justified and compatible with present day circumstances.*

6. To ensure that the continued provision of civil service allowances is justified and is in line with present day circumstances, we undertook a comprehensive review of all fringe benefit type of civil service allowances in 2003. In June 2004, we issued a note setting out the change proposals under the phase one review concerning certain passage and related allowances as well as housing-related allowances and benefits for staff consultation until mid-August 2004. Our plan was to deal with change proposals concerning education allowances and housing allowances under the phase two review.

7. Taking account of the consultation feedback and our policy objectives, we refined the proposed change measures under the phase one review and examined the possible scope for change in respect of the remaining allowances covered by the phase two review. We planned to present the full set of change proposals arising from the allowance review for staff consultation in late 2004. While the Court of Appeal's judgment regarding the Public Officers Pay Adjustment Ordinance does not relate directly to the allowance review, we consider it prudent to await the outcome of the Court of Final Appeal on the pay issue before further consulting staff on the proposals under the allowance review.

*(c) Facilitating the maintenance of a lean and efficient civil service and reduction of the civil service establishment to about 160 000 by 2006-07 by providing the necessary staff management tools to assist bureaux and departments to achieve staff savings.*

8. We are making steady progress in reducing the size of the civil service. As at 30 November 2004, the civil service establishment was around 168,000, representing a reduction of some 15% from that of 198,000 in January 2000. We shall further reduce the establishment to about 166,500 by March 2005.

9. We have been closely monitoring the progress in the reduction of the civil service establishment through soliciting manpower plans from bureaux and departments. Based on the updated manpower plans received in end 2004, the initial projection is that we may be able to further reduce the establishment to around 163,500 by March 2006. We shall continue to discuss with bureaux and departments their individual staffing situations and work with them to realize the reduction targets through internal redeployment, the introduction of special unpaid leave and targeted voluntary retirement schemes where appropriate. We will not resort to forced redundancy in pursuing this target.

*(d) Continuing to provide civil servants with training and development opportunities. New elements will be introduced into our senior executive development programmes. More national studies programmes will be rolled out. We shall also continue to enhance the variety and content of the training materials on our e-learning portal, and promote wider use of e-learning, as part of our endeavours to fortify a culture of continuous learning in the civil service. We shall encourage staff at all levels to pursue learning through an expanded sponsorship scheme.*

10. CSB is committed to providing civil servants with robust training and development opportunities, thereby equipping them with the knowledge and skills necessary for delivering quality service and managing change. In the interest of achieving greater efficiency and better positioning the Civil Service Training and Development Institute (CSTDI) for the challenges ahead, we incorporated CSTDI into CSB in April 2004.

11. In introducing new elements to the training programmes for senior executives in the government, CSTDI will seek to better align such programmes with the directorate succession plans of departments. In 2005, we shall commission the National School of Administration to provide a new tailor-made national studies programme for members of the Administrative Service. The extra places thus provided would, within two years, allow all directorate AOs who had not attended a similar course in the past to complete the course. We are also pursuing more diverse exchange programmes with the private sector, overseas governments as well as municipal governments in the Mainland. Guangdong Province will be added to our civil servants exchange programme, on top of Shanghai, Beijing and Hangzhou.

12. To promote wider use of the e-learning mode, we shall continue to enhance the quality and variety of training programmes offered to civil servants vide our e-learning portal. The number of registered users of the portal grew from 35,000 in 2003 to 45,000 in 2004. Relative to 2003, the number of web-course users (as well as hits) has increased by 50%.

13. As part of our efforts to foster a culture of continuous learning in the civil service, we plan to launch in 2005 an expanded sponsorship scheme to encourage staff at different levels to upgrade their qualifications and skills. Middle managers as well as front-line and junior staff who wish to pursue further studies in specified areas will be able to benefit from this, through the reimbursement of course fees. We also plan to introduce in 2005 a new special unpaid leave scheme. In the interest of encouraging staff who are taking such leave to pursue studies that will help enhance their personal effectiveness, we will offer them assistance for reimbursement of course fees.

(e) *Continuing to maintain and enhance the morale of the civil service through wider consultation between management and staff at all levels, and encourage fuller use of the commendation system to recognize and motivate exemplary performance.*

14. When taking forward the on-going Civil Service Reform, we shall continue to maintain a stable and motivated civil service through dialogue with the staff sides at both the central and departmental levels. We shall roll out reform measures in a step-by-step manner.

15. In keeping with our policy to induce meritorious performance through proper recognition, we introduced in 2004 the Secretary for the Civil Service's Commendation Award Scheme. Seventy-five officers from 37 departments received awards under the Scheme, in recognition of their exemplary performance. The scheme has been well-received and will be rolled forward on an annual basis.

16. The scope of the Civil Service Customer Service Award Scheme will be expanded in 2005, so as to encourage more departments to take part in the exercise. Through the Scheme, we pay tribute to the dedication and sterling contributions of civil servants at the departmental and team levels. TV programmes will be produced to show-case the good work of award-winning departments and teams. Legislative Councillors will be invited to take part in the adjudication process.

*(f) Reinforcing actions taken to manage staff who do not measure up, through enhancing the deterrence of our disciplinary system against misconduct and further streamlining the procedures for removing under-performers, whilst sustaining efforts to further improve efficiency and productivity in the civil service.*

17. Stern actions are taken against civil servants who have misconducted themselves, through the civil service disciplinary system. Since the establishment of the Secretariat on Civil Service Discipline in April 2000, the time taken to complete action on disciplinary cases had been substantively shortened whilst preserving the principle of natural justice.

18. In early 2003, we streamlined the procedures for removing persistent sub-standard performers from the service. More departments have since made better use of this tool to manage under-performers. Building on the positive results achieved so far, we are considering further improvements to the procedures that would enable departments to take swifter actions against staff who under-perform. The staff sides will be consulted on the new procedures in the first quarter of 2005.

19. We shall maintain the momentum of our reform measures in this area, in order to reinforce a performance-based culture in the civil service that is conducive to raising the quality and efficiency of public services.

(g) *Reviewing the policy on the post-retirement employment of civil servants to ensure that the policy will continue to contribute to public confidence in the integrity and impartiality of the civil service. We aim to draw up proposals in March 2005.*

20. At present, all pensionable officers are required to seek prior permission from Government before they enter into business, become partners or directors, or become employees, if the principal part of the business or employment is carried on in Hong Kong, within two years after their retirement, or within three years for officers retiring at the rank of AOSGA1 or above. The fundamental principle of the policy is that there should be no impropriety in the business or employment which former civil servants propose to undertake.

21. In view of the rising community expectation on the probity of post-retirement employment of civil servants, we are reviewing the policy. We believe that there is scope to improve the policy by enhancing the transparency of our approval mechanism, lengthening the sanitization period for senior officers and tightening up the granting of approval. We shall draw up proposals for discussion at this Panel in March 2005.

### **Way Forward**

22. We shall take forward the above initiatives in close consultation with departmental management and staff. We shall also keep Members' informed of the progress of these initiatives.

Civil Service Bureau  
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